

# **EXHIBIT B**

**CUSTOMER CLAIM**

Claim Number \_\_\_\_\_

Date Received \_\_\_\_\_

**BERNARD L. MADOFF INVESTMENT SECURITIES LLC**

In Liquidation

**DECEMBER 11, 2008**

(Please print or type)

Name of Customer: WaterShed Foundation

Mailing Address: 40 Sunnyside Drive

City: Inverness State: CA Zip: 94937

Account No.: 12A197

Taxpayer I.D. Number (Social Security No.): 68-0183506

**NOTE: BEFORE COMPLETING THIS CLAIM FORM, BE SURE TO READ CAREFULLY THE ACCOMPANYING INSTRUCTION SHEET. A SEPARATE CLAIM FORM SHOULD BE FILED FOR EACH ACCOUNT AND, TO RECEIVE THE FULL PROTECTION AFFORDED UNDER SIPA, ALL CUSTOMER CLAIMS MUST BE RECEIVED BY THE TRUSTEE ON OR BEFORE March 4, 2009. CLAIMS RECEIVED AFTER THAT DATE, BUT ON OR BEFORE July 2, 2009, WILL BE SUBJECT TO DELAYED PROCESSING AND TO BEING SATISFIED ON TERMS LESS FAVORABLE TO THE CLAIMANT. PLEASE SEND YOUR CLAIM FORM BY CERTIFIED MAIL - RETURN RECEIPT REQUESTED.**

\*\*\*\*\*

**1. Claim for money balances as of December 11, 2008:**

a. The Broker owes me a Credit (Cr.) Balance of \$ 0 N/A

b. I owe the Broker a Debit (Dr.) Balance of \$ 0 N/A

c. If you wish to repay the Debit Balance,  
please insert the amount you wish to repay and  
attach a check payable to "Irving H. Picard, Esq.,  
Trustee for Bernard L. Madoff Investment Securities LLC."  
If you wish to make a payment, it must be enclosed  
with this claim form. \$ 0

d. If balance is zero, insert "None." 0

2. Claim for securities as of **December 11, 2008**:

**PLEASE DO NOT CLAIM ANY SECURITIES YOU HAVE IN YOUR POSSESSION.**

- |   | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| a. The Broker owes me securities        | <u>✓</u>   |           |
| b. I owe the Broker securities          |            | <u>✓</u>  |
| c. If yes to either, please list below: |            |           |

Date of Transaction (trade date)	Name of Security	Number of Shares or Face Amount of Bonds	
		The Broker Owes Me (Long)	I Owe the Broker (Short)
	<u>See the November 30, 2008</u>		
	<u>Account statement attached</u>		
	<u>at Exhibit B.</u>		

Proper documentation can speed the review, allowance and satisfaction of your claim and shorten the time required to deliver your securities and cash to you. Please enclose, if possible, copies of your last account statement and purchase or sale confirmations and checks which relate to the securities or cash you claim, and any other documentation, such as correspondence, which you believe will be of assistance in processing your claim. In particular, you should provide all documentation (such as cancelled checks, receipts from the Debtor, proof of wire transfers, etc.) of your deposits of cash or securities with the Debtor from as far back as you have documentation. You should also provide all documentation or information regarding any withdrawals you have ever made or payments received from the Debtor.

Please explain any differences between the securities or cash claimed and the cash balance and securities positions on your last account statement. If, at any time, you complained in writing about the handling of your account to any person or entity or regulatory authority, and the complaint relates to the cash and/or securities that you are now seeking, please be sure to provide with your claim copies of the complaint and all related correspondence, as well as copies of any replies that you received.

**PLEASE CHECK THE APPROPRIATE ANSWER FOR ITEMS 3 THROUGH 9.**

**NOTE: IF "YES" IS MARKED ON ANY ITEM, PROVIDE A DETAILED EXPLANATION ON A SIGNED ATTACHMENT. IF SUFFICIENT DETAILS ARE NOT PROVIDED, THIS CLAIM FORM WILL BE RETURNED FOR YOUR COMPLETION.**

- |   | <u>YES</u>               | <u>NO</u> |
|---|--------------------------|-----------|
| 3. Has there been any change in your account since December 11, 2008? If so, please explain.  | _____                    | _____✓    |
| 4. Are you or were you a director, officer, partner, shareholder, lender to or capital contributor of the broker?   | _____                    | _____✓    |
| 5. Are or were you a person who, directly or indirectly and through agreement or otherwise, exercised or had the power to exercise a controlling influence over the management or policies of the broker? | _____                    | _____✓    |
| 6. Are you related to, or do you have any business venture with, any of the persons specified in "4" above, or any employee or other person associated in any way with the broker? If so, give name(s)    | _____                    | _____✓    |
| 7. Is this claim being filed by or on behalf of a broker or dealer or a bank? If so, provide documentation with respect to each public customer on whose behalf you are claiming.                         | _____                    | _____✓    |
| 8. Have you ever given any discretionary authority to any person to execute securities transactions with or through the broker on your behalf? Give names, addresses and phone numbers.                   | _____✓<br>Bernard Madoff | _____     |
| 9. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? If so, give name of that broker.  | _____                    | _____✓    |

Please list the full name and address of anyone assisting you in the preparation of this claim form: Brian J. Neville, Esq., Lax & Neville LLP  
141A Broadway Suite 1407 New York NY 10018 212-696-1999

9. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? if so, give name of that broker. \_\_\_\_\_

\*

Please list the full name and address of anyone assisting you in the preparation of this claim form: \_\_\_\_\_

If you cannot compute the amount of your claim, you may file an estimated claim. In that case, please indicate your claim is an estimated claim.

**IT IS A VIOLATION OF FEDERAL LAW TO FILE A FRAUDULENT CLAIM. CONVICTION CAN RESULT IN A FINE OF NOT MORE THAN \$50,000 OR IMPRISONMENT FOR NOT MORE THAN FIVE YEARS OR BOTH.**

**THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.**

Date 6/30/09 Signature Xenia, As WSF

Date \_\_\_\_\_ Signature \_\_\_\_\_

(If ownership of the account is shared, all must sign above. Give each owner's name, address, phone number, and extent of ownership on a signed separate sheet. If other than a personal account, e.g., corporate, trustee, custodian, etc., also state your capacity and authority. Please supply the trust agreement or other proof of authority.)

**This customer claim form must be completed and mailed promptly, together with supporting documentation, etc. to:**

Irving H. Picard, Esq.,  
Trustee for Bernard L. Madoff Investment Securities LLC  
Claims Processing Center  
2100 McKinney Ave., Suite 800  
Dallas, TX 75201

# LAX NEVILLE

**LAX & NEVILLE, LLP**  
ATTORNEYS AT LAW

**BARRY R. LAX**  
**BRIAN J. NEVILLE**

**BRIAN MADDOX**  
**SANDRA P. ESPINOSA**  
**RAQUEL TERRIGNO**

1412 Broadway, Suite 1407  
New York, NY 10018  
Tel (212) 696-1999  
Fax (212) 566-4531  
www.laxneville.com

**OF COUNSEL:**  
**DAVID S. RICH**

June 30, 2009

**VIA FEDERAL EXPRESS**

Irving H. Picard  
Trustee for Bernard L. Madoff Investment Securities LLC  
Claims Processing Center  
2100 McKinney Avenue, Suite 800  
Dallas, TX 75201

RE: Watershed Foundation/Bernard L. Madoff Investment Securities LLC

Dear Mr. Picard:

This firm represents the Watershed Foundation and has assisted it in the preparation of its Bernard L. Madoff Investment Securities LLC ("Madoff Securities" or "Madoff") SIPC Customer Claim form. Enclosed herein you will find a completed Customer Claim Form for the Watershed Foundation account. Additionally, below is a description of the relationship between the Watershed Foundation and Madoff Securities. The statements made in this letter are true and accurate to the best of our knowledge and belief, and are being provided to support the Watershed Foundation SIPC claims.

In or about August 2002, Gordon Bennett opened the Watershed Foundation account with Madoff Securities. Attached as Exhibit A are Charity Annual Registration Renewal Fee Reports for the Watershed Foundation. Withdrawals were made from the account to pay taxes and foundation expenses, and for charitable annual disbursements as required by law. The

**LAX**  
**NEVILLE**

Irving H. Picard  
June 30, 2009  
Page 2 of 3

account was treated as an endowment, taking annual withdrawals roughly in the amount of annual profits less inflation. The balance in the Watershed Foundation account as of November 30, 2008 is \$272,863.95. The Watershed Foundation November 30, 2008 account statement is attached as Exhibit B. The Watershed Foundation has paid to the IRS all appropriate capital gains taxes that resulted from the Madoff Securities account.

The Watershed Foundation received account statements from Madoff indicating the purchases and sales of securities during that month, and listing each of the open securities positions held in the account. The securities listed on these statements were real, widely held securities and their prices could be readily verified against objective and publicly available market information. Based upon the account statements and the confirmations, the Watershed Foundation at all times expected to have those securities in its account. The Watershed Foundation always believed SIPC coverage would cover the securities listed as being in the account should Madoff Securities ever fail.

### Conclusion

The Watershed Foundation is seeking the full protection of SIPA for its account as follows:

Account No: 1-ZA197

Watershed Foundation

Total = \$272,863.95

**LAX  
NEVILLE**

Irving H. Picard  
June 30, 2009  
Page 3 of 3

If there are any questions regarding this matter or if you require additional documents and information, please do not hesitate to contact me. Thank you.

Very truly yours,  
Lax & Neville, LLP

By: Brian J. Neville for  
Brian J. Neville

ENC.



# **EXHIBIT A**

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## ANNUAL

REGISTRATION RENEWAL FEE REPORT  
TO ATTORNEY GENERAL OF CALIFORNIASections 12586 and 12587, California Government Code  
11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.



## MAIL TO:

Registry of Charitable Trusts  
P.O. Box 903447  
Sacramento, CA 94203-4470  
Telephone: (916) 446-2021

## WEB SITE ADDRESS:

<http://ag.ca.gov/charities/>

CT-75304

State Charity Registration Number

Watershed Foundation

Name of Organization

40 Sunnyside Dr

Address (Number and Street)

Inverness, CA 94937

City or Town, State and ZIP Code

Check if:

☐ Change of address☐ Amended report

Corporate or Organization No.

D-1628412

Federal Employer I.D. No.

68-0183506

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)  
Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between 100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

## PART A - ACTIVITIES

For your most recent full accounting period (beginning 7 / 1 / 04 ending 6 / 30 / 05) Net:

Gross annual revenue \$ 22,699 Total assets \$ 252,619

## PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Organization's area code and telephone number ( 415 ) 863 1881

Organization's e-mail address [gbatmubr@aol.com](mailto:gbatmubr@aol.com)

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of authorized officer

Gordon Bennett

Printed Name

Pres

Title

10/15/2005

Date

Pg 11 of 20

MAIL TO:  
Registry of Charitable Trusts  
P.O. Box 903447  
Sacramento, CA 94293-4470  
Telephone: (916) 445-2021

WEB SITE ADDRESS:  
<http://ag.ca.gov/charities/>

## ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12586 and 12587, California Government Code  
11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$900, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.



CT-75304

State Charity Registration Number

Watershed Foundation

Name of Organization

40 Sunnyside Dr

Address (Number and Street)

Inverness, CA 94937

City or Town, State and ZIP Code

Check if:

☐ Change of address☐ Amended report

Corporate or Organization No. D-1628412

Federal Employer I.D. No. 68-0183506

### ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312) Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$160
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

#### PART A - ACTIVITIES

For your most recent full accounting period (beginning 7 / 1 / 05 ending 6 / 30 / 06 ) list:

Gross annual revenue \$ 28,077 Total assets \$ 252,909

#### PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Organization's area code and telephone number ( 415 ) 663 1881

Organization's e-mail address gbatmuirb@aol.com

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of authorized officer

Gordon Bennett

Printed Name

Pres

Title

Date

MAIL TO:  
 Registry of Charitable Trusts  
 P.O. Box 803447  
 Sacramento, CA 94203-4470  
 Telephone: (916) 445-2021

WEB SITE ADDRESS:  
<http://ag.ca.gov/charities/>

## ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12566 and 12587, California Government Code  
 11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$600, plus interest, and/or fines or filing penalties as defined in Government Code section 12566.1. IRS extensions will be honored.



State Charity Registration Number <u>CT-75304</u> Watershed Foundation. Name of Organization 40 Sunyside Dr Address (Number and Street) Inverness, CA 94937 City or Town, State and ZIP Code	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report Corporate or Organization No. <u>D-1628412</u> Federal Employer I.D. No. <u>68-0183506</u>
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**ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)**  
 Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between 100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

**PART A - ACTIVITIES**

For your most recent full accounting period (beginning 7 / 1 / 06 ending 6 / 30 / 07) list:  
 Gross annual revenue \$ 26,120 Total assets \$ 259,563

**PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT**

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Organization's area code and telephone number ( 415 ) 663 1881  
 Organization's e-mail address gbatmairb@aol.com

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

Gordon Bennett  
 Signature of authorized officer

Gordon Bennett  
 Printed Name

President  
 Title

2/15/2008  
 Date

MAIL TO:  
 Registry of Charitable Trusts  
 P.O. Box 903447  
 Sacramento, CA 94203-4470  
 Telephone: (916) 445-2021

WEB SITE ADDRESS:  
<http://ag.ca.gov/charities/>

## ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12586 and 12587, California Government Code  
 11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.



State Charity Registration Number <u>CT-75304</u> Watershed Foundation Name of Organization 40 Sunnyside Dr Address (Number and Street) Inverness, CA 94937 City or Town, State and ZIP Code	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report Corporate or Organization No. <u>0-1628412</u> Federal Employer I.D. No. <u>68-0183506</u>
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### ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312) Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between 100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

#### PART A - ACTIVITIES

For your most recent full accounting period (beginning 7 / 1 / 200 ending 8 / 30 / 2008) list:

Gross annual revenue \$ \$28,764 Total assets \$ \$263,743

#### PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Organization's area code and telephone number ( 415 ) 663 1881

Organization's e-mail address gbatmuirb@aol.com

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

 Signature of authorized officer	Gordon Bennett Printed Name	President Title	10/15/2008 Date
-------------------------------------	--------------------------------	--------------------	--------------------

## **EXHIBIT B**

Affiliated with  
Madoff Securities International Limited  
12 Berkeley Street  
Mayfair, London W1J 8DT  
Tel 020 7493 6222

885 Third Avenue  
New York, NY 10022  
(212) 230-2424  
800 334-1343  
Fax (212) 838-4061

**BERNARD L. MADOFF**  
INVESTMENT SECURITIES LLC  
New York □ London

**WATERSHED FOUNDATION**

40 SUNNYSIDE DRIVE  
INVERNESS

CA 94937

PERIOD ENDING  
**11/30/08**

PAGE  
**1**

YOUR ACCOUNT NUMBER  
**1-2A197-3-0**

YOUR TAX PAYER IDENTIFICATION NUMBER  
**\*\*\*\*\*3506**

DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
11/12	210		837	BALANCE FORWARD		14,975.53	
11/12	150		1339	WELLS FARGO & CO NEW	29.800	6,266.00	
11/12	130		5163	HENLETT PACKARD CO	34.900	5,241.00	
11/12	85		5665	WAL-MART STORES INC	55.830	7,262.90	
11/12	315		9489	INTERNATIONAL BUSINESS MACHS	87.210	7,420.95	
11/12	345		9991	EXXON MOBIL CORP	72.880	22,969.20	
11/12	165		14317	INTEL CORP	14.510	5,018.95	
11/12	225		18642	JOHNSON & JOHNSON	59.580	9,836.70	
11/12	120		22968	J.P. MORGAN CHASE & CO	38.530	8,678.25	
11/12	70		27294	COCA COLA CO	44.650	5,363.20	
11/12	130		31620	McDONALDS CORP	55.370	3,877.90	
11/12	475		35946	MERCK & CO	28.550	3,716.50	
11/12	240		40272	MICROSOFT CORP	21.810	10,378.75	
11/12	95		53250	ORACLE CORPORATION	17.300	4,161.00	
11/12	55		53752	PEPSICO INC	56.410	5,361.95	
11/12	405		57576	APPLE INC	100.780	5,544.90	
11/12	95		58078	PFIZER INC	16.940	6,876.70	
11/12	180		61902	ABBOTT LABORATORIES	54.610	5,190.95	
11/12	65		62404	PROCTER & GAMBLE CO	64.080	11,541.40	
11/12	125		66228	AMGEN INC	59.160	3,847.40	
11/12	300		66730	PHILLIP MORRIS INTERNATIONAL	43.600	5,455.00	
11/12	100		70554	BANK OF AMERICA	21.590	6,489.80	
11/12	325		71056	QUALCOMM INC	33.770	3,381.00	
11/12				CITI GROUP INC	12.510	4,078.75	
				CONTINUED ON PAGE 2			

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**WATERSHED FOUNDATION**

**40 SUNNYSIDE DRIVE  
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11/30/08

YOUR TAX PAYER IDENTIFICATION NUMBER  
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YOUR ACCOUNT NUMBER  
1-ZA197-3-0

DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
11/12	75		74880	SCHLUMBERGER LTD	49.480	3,714.00	
11/12	180		75382	COMCAST CORP CL A	16.510	2,978.80	
11/12	355		79206	AT&T INC	27	9,599.00	
11/12	90		79708	CONOCOPHILIPS	52.510	4,728.90	
11/12	60		83532	UNITED PARCEL SVC INC CLASS B	52.040	3,124.40	
11/12	365		84034	CISCO SYSTEMS INC	16.730	6,120.45	
11/12	105		87858	U S BANCORP	29.530	3,104.65	
11/12	125		88360	CHEVRON CORP	73.430	9,183.75	
11/12	60		92184	UNITED TECHNOLOGIES CORP	53.160	3,191.80	
11/12	635		92686	GENERAL ELECTRIC CO	19.630	12,490.05	
11/12	170		96510	VERIZON COMMUNICATIONS	30.410	5,175.70	
11/12	15		97012	GOOGLE	337.400	5,061.00	
11/12		225,000	23445	U S TREASURY BILL DUE 2/12/2009	99.936		224,856.00
11/12				2/12/2009			
11/12				FIDELITY SPARTAN	DIV		
11/12				U S TREASURY MONEY MARKET			
11/12				DIV 11/12/08			
11/12		40,101	18547	FIDELITY SPARTAN	1		40,101.00
11/12				U S TREASURY MONEY MARKET			
11/12				FIDELITY SPARTAN	1		
11/12			27915	U S TREASURY MONEY MARKET			
11/12	37,565			FIDELITY SPARTAN		37,565.00	
11/12				U S TREASURY MONEY MARKET			
11/12				DIV 11/19/08			
11/19				CONTINUED ON PAGE 3			

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DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
11/19		37,565	53428	FIDELITY SPARTAN U.S. TREASURY MONEY MARKET	1		37,565.00
11/19	50,000		57930	U.S. TREASURY BILL DUE 03/26/2009	99-926	49,963.00	
11/19	2,587		62464	FIDELITY SPARTAN U.S. TREASURY MONEY MARKET	1	2,587.00	
				NEW BALANCE		28,945.67	
	355 95 65 55 300 125 365 325 120 180 90 315 635			SECURITY POSITIONS AT&T INC ABBOTT LABORATORIES AMGEN INC APPLE INC BANK OF AMERICA CHEVRON CORP CISCO SYSTEMS INC CITI GROUP INC COCA COLA CO COMCAST CORP CL A CONOCOPHILIPS EXXON MOBIL CORP GENERAL ELECTRIC CO	MT PRICE 28.568 52.390 55.540 92.670 16.250 79.010 16.540 8.290 46.870 17.340 52.520 80.150 17.170		
				CONTINUED ON PAGE 4			

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DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	ITN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
	15			GOOGLE	292.960		
	150			HEWLETT PACKARD CO	35.280		
	345			INTEL CORP	13.800		
	85			INTERNATIONAL BUSINESS MACHS	81.600		
	225			J.P. MORGAN CHASE & CO	31.660		
	165			JOHNSON & JOHNSON	58.580		
	70			MCDONALDS CORP	58.750		
	130			MERCK & CO	26.720		
	475			MICROSOFT CORP	20.220		
	240			ORACLE CORPORATION	16.090		
	95			PEPSICO INC	56.700		
	405			PFIZER INC	16.430		
	125			PHILLIP MORRIS INTERNATIONAL	42.160		
	180			PROCTER & GAMBLE CO	64.350		
	100			QUALCOMM INC	33.570		
	75			SCHLUMBERGER LTD	50.740		
	2,587			FIDELITY SPARTAN	1		
	105			U S TREASURY MONEY MARKET	26.980		
	60			U S BANCORP	57.600		
	50,000			UNITED PARCEL SVC INC	99.971		
	60			CLASS B	48.530		
				U S TREASURY BILL			
				DUE 03/26/2009			
				3/26/2009			
				UNITED TECHNOLOGIES CORP			
				CONTINUED ON PAGE 5			

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	170 130 210			VERIZON COMMUNICATIONS WAL-MART STORES INC WELLS FARGO & CO NEW MARKET VALUE OF SECURITIES LONG 272,863.95 SHORT	32.650 55.830 28.890		

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11/12				BALANCE FORWARD			14,976,000
11/12	5		44598	S & P 100 INDEX NOVEMBER 460 CALL	15.800		7,895.00
11/19			48924	S & P 100 INDEX NOVEMBER 450 PUT	17.800	8,905.00	
11/19	5		35028	S & P 100 INDEX DECEMBER 430 CALL	26		12,995.00
11/19	5		39353	S & P 100 INDEX DECEMBER 420 PUT	30	15,005.00	
11/19	5		43678	S & P 100 INDEX NOVEMBER 460 CALL	3	1,505.00	
11/19			48003	S & P 100 INDEX NOVEMBER 450 PUT	37		18,495.00
				NEW BALANCE			28,946.00
				SECURITY POSITIONS			
				S & P 100 INDEX	MKT PRICE		
				DECEMBER 430 CALL	23.300		
				S & P 100 INDEX			
				DECEMBER 420 PUT	16.500		
				MARKET VALUE OF SECURITIES			
				LONG			
				SHORT			
				8,250.00			
				11,650.00-			

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